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# ***JPRS Report***

## **East Asia**

***Korea***

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# East Asia

## Korea

JPRS-KAR-88-011

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**KYODO: ROK President To Propose Summit  
With North**

*OW210509 Tokyo KYODO in English  
0453 GMT 21 Apr 88*

[Text] Seoul, April 21 KYODO — South Korean President No Tae-u said Thursday he will propose a summit meeting to North Korea after the Seoul Olympics ends in October to help relax tension in the Korean Peninsula.

In the first press meeting after assuming the presidency last February, No said his government has held talks on various levels with North Koreans to prevent the recurrence of the destruction of the Korean airliner south of Burma last November or more tragic incidents.

The airline crash claimed 115 lives. The United States and Japan blamed North Korea for its involvement in the crash.

The president said the Seoul Olympics scheduled for September and October will give impetus to the resumption of North-South dialogue.

A summit meeting between the two Koreas will be the most effective way to facilitate talks with the North, No told reporters.

No also said he would investigate alleged corruption under Chon Kyong-hwan, younger brother of former President Chon Tu-hwan, in relation to the Saemaul (new village) Movement as long as there is justifiable evidence.

But he said it would not be good to generate social unrest by rumors, suggesting he would not expand the investigation unnecessarily on the case.

The president also said he would inherit the achievements initiated by the former government.

The president said he would expand exchanges with the Soviet Union, China and other Eastern European countries.

**ROK: Czechoslovakia To Send 300 Person Olympic Team**

*SK210323 Seoul THE KOREA HERALD in English  
21 Apr 88 p 11*

[Text] Czechoslovakia will send a 300-member contingent to participate in 15 events in the Seoul Olympic Games, a visiting Czech Olympic official has confirmed.

Jaroslav Stanek, a member of the Czechoslovak National Olympic Committee [NOC], told reporters Tuesday 200 athletes and 100 officials will come to the Summer Olympics.

Stanek said his country is hopeful of winning two to three gold medals from football, weightlifting, gymnastics and modern pentathlon.

Noting that Czechoslovakia took the soccer championship in the 1980 Moscow Olympics, he said his nation's most likely gold is the football competition.

He said Czechoslovakia will play the final football match with Yugoslavia on April 27 to qualify for the Seoul Olympiad.

"We will be able to attain a berth in the Games even if we draw with the powerful rival," he said.

According to Stanek, the athletes and officials from the East European country will come to Seoul in two groups—the first arriving on Sept. 3 and the remaining on Sept. 12.

"At present, about 300 athletes are undergoing intensive training and 200 will be finally selected from among them in August," he said.

Touching on Czech sports policy, he said his country is operating a "state sports system" modeled after that of the Soviet Union and East Germany.

"But my country faces difficulty developing the system because of financial problems," he said.

The NOC official said a large number of Czechs want to watch the Seoul Olympic Games but only 60 people will visit Korea in two groups because of the difficulty in acquiring Olympic tickets.

He said an agreement has been concluded with the Ajou Tourism Co. for their trip to Korea, adding that the visitors are all civilian tourists.

"My country has no diplomatic relations with Korea but I am confident our competitors and officials will not experience any inconvenience during the Games," he said.

"After touring Olympic facilities, including the Olympic Stadium and Athletes' Village, I believe Korea's preparations for the Games are almost perfect," he said.

Stanek arrived in Seoul last Friday for consultations with Seoul Olympic Organizing Committee officials over the Czechs' participation in the Games.

He attended a meeting of Olympic attaches held at the Olympic Center Tuesday.

## POLITICAL

### **No Tae-u Releases Assets at Press Conference** *SK210333 Seoul YONHAP in English 0320 GMT 21 Apr 88*

[Text] Seoul, April 21 (YONHAP)—President No Tae-u, in an effort to set an example for other government officials, disclosed his personal assets Thursday valued at 520 million won, an equivalent of 702,702 U.S. dollars.

No's disclosure of his assets, which include 40,540 dollars' equivalent in savings account and 175,675 dollar worth of bank stocks, came in his first news conference since he succeeded Chon Tu-hwan as president on Feb. 25.

The disclosure also came amid exposure and investigation of corruption scandal involving the younger brother of the former president. No and Chon were classmates at the Korea military academy.

During his presidential election campaign last December, No pledged that when he leaves the presidency, his property will be the same as when he was elected. No also vowed to control his relatives and family members and told them to expect no favors.

The detailed accounts of No's assets released by the presidential office at the request of reporters are as follows: his home in Seoul where he lived for the past seven years (337,800 dollars) a house in his provincial hometown used by his parents, a rice field and farm in the hometown (67,500 dollars) land jointly owned by a friend (67,500 dollars) 10,000 stocks invested in five banks valued at 175,675 dollars savings (40,540 dollars) and a golf club membership valued at 13,500 dollars.

The chief executive said in a news conference Thursday, his first since taking office, that he hopes his administration will not be plagued by corruption among public officials and thereby avoid public criticism of such malfeasance, unlike previous administrations.

Presidential spokesman Yi Su-chong said the list of the president's personal assets has been already registered with the office of government administration, adding that it will be available for public inspection.

### **No's Press Conference Views North, Olympics, Scandals**

*SK210410 Seoul YONHAP in English 0341 GMT 21 Apr 88*

[Text] Seoul, April 21 (YONHAP)—South Korean president No Tae-u Thursday proposed an inter-Korean summit meeting as the most efficient way to improve relations between south and north Korea.

In his first news conference since his inauguration on Feb. 25, No said he is convinced that a decisive turning point for epoch-making progress in inter-korean relations will come in four to five years.

He said the summer olympic games to be held in Seoul this fall will serve as momentum in realizing a change in north Korea's policy of unifying the Korean peninsula under its communist rule.

No said the ultimate purpose of his government's efforts to improve relations with communist countries, including China and East European nations, also lies in national reunification.

During the news conference, which lasted an hour and 17 minutes, No also said that he will abide by his election pledge to conduct a vote of confidence on his performance.

However, he did not specify when or how such a vote would be conducted. He had promised that such a vote would be held one year after his inauguration.

Opposition leaders have charged that no plans to conduct the vote in the National Assembly, after winning a majority in the upcoming general elections, rather than through a national referendum.

I am considering various ways, but I promise that I will choose whatever methods represent the will of the people, No said.

Asked whether he intends to launch an official probe into the alleged corruption scandals involving former president Chon Tu-hwan and his family, No replied that he is determined to leave no sanctuary in his efforts to root out corruption.

Emphasizing that the prosecution is conducting an independent investigation into the corruption charges of the former president's younger brother, No said it is a matter of course that any person should be brought under the law's judgment without exception, if there is evidence.

He added, however, that it is undesirable to cause social unrest and distrust only on the basis of rumors without evidence.

The news conference, which was originally scheduled for April 14, was postponed after former president Chon called a news conference on April 13 to announce his resignation from all public posts as he assumed responsibility for the corruption scandals involving his younger brother.

In striking contrast to the prearranged press conferences of the former president, which were noted for their inflexible atmosphere, No took notes of the questions before answering and stood the entire time.

In response to a question on whether he would accept the demands for the reinvestigation and punishment of those responsible for the bloody 1980 civil uprising in Kwangju, No said he will follow the conclusion of the ad hoc commission which he set up to study measures to resolve the issue.

The commission concluded that excessive military action touched off the uprising but that the reinvestigation and punishment of those responsible would not be desirable for national reconciliation.

When asked about allegations by opposition leaders that he intends to amend the constitution and set up a parliamentary cabinet system, No flatly denied such charges saying that he doubts the ruling party will be able to win two-thirds of the National Assembly seats needed for a constitutional amendment.

Regarding the much-talked about power struggle between No and former president Chon, No said a complete rejection of the previous government's policies would be unreasonable adding that his government will carry on the economic development and achievements of the previous government while discarding negative factors.

#### Dailies on No Tae-u's First Press Conference

SK241024 [Editorial Report] On 21 April, ROK President No Tae-u held his first presidential news conference. On 22 April, six Korean vernacular newspapers each carried editorials devoted to that news conference.

In a 900-word editorial, "President No's First Press Conference," CHOSON ILBO notes and extols the style of President No's press conference in which no authoritarian attitude was found and in which a wide variety of national issues were touched upon by reporters in a free atmosphere. However, the editorial expresses some disappointment when it says, "The content of the conference was not satisfactory. Though the people's evaluation of his press conference may be different according to individual expectations and views, President No failed to present a clear outline of his ruling concept and doctrine to the people. He failed to present the political philosophy or political colors to which his regime will adhere." However, the editorial concludes its view of President No's press conference saying, "We can find the meaning of President No's press conference in the fact that the new style of his press conference and the No regime's attitude of trying to extricate itself from authoritarianism have been clarified internally and externally, although we are somewhat dissatisfied with its content."

HANGUK ILBO, in a 1,000-word editorial entitled, "We Want the President To Have Constant Dialogue With the People," notes that President No answered reporters' questions on a wide variety of national issues.

It says: "President No's first press conference was generally satisfactory, held in a calm manner." The editorial, indicating his press conference style and the revelation of his personal assets, says, "This is the first great determination we have seen among successive presidents and should be a model for stirring the moral principles of high-ranking government servants." Stressing the need to hold frequent press conferences in the future, the editorial concludes by saying, "We sincerely hope that mutual relations of trust between the people and the president will be established through constant dialogue between them."

SEOUL SINMUN publishes a 1,500-word editorial under the title, "We Want Rule That Does Not Reign Over the People." The editorial, expressing satisfaction with the content of the conference, says "In President No Tae-u's first press conference, we discovered that the authoritarian ruling style has been completely liquidated and that the distance between power and the people has been greatly narrowed. From the president's rational thoughts and his attitude of respecting law and order that we witnessed during his press conference, we could read the spirit of the times of achieving democratization through self-regulation that the Sixth Republic seeks. From the words the president used in the press conference we found the unique appearance of a ruler trying not to reign over the people for the first time in our political history." Pointing out the need for clean government, the editorial indicates President No's announcement of his personal assets and says, "President No making public his personal assets at the press conference reflects his firm will to show the people his image as a clean president." The editorial states in conclusion that now is the time to ponder what should be done to establish democratic order in society.

In an 800-word editorial entitled, "President No's First Press Conference—The Change of Content Must Follow That of Style," TONG-A ILBO welcomes the change of style in President No Tae-u's first press conference as "enough to make us realize that the era of ordinary people has come." However, the editorial adds: "In addition to the change of style, the practical content of politics must be changed."

After citing his failure to put forward, in his press conference, specific plans to deal with Chon Tu-hwan's relatives and sever his ties with the past, by repeating basics, the editorial says: "We, too, must wait and silently watch the new president until he carries out new policies after perceiving all aspects of state affairs. The new president may need time to become completely free of the past. The people must be willing to wait during that time."

After citing past practices in which new governments, which had started with pledges of reform, ended up with nothing, the editorial concludes: "In this respect, the No Tae-u regime, always recalling its promises to the people, must hasten the road to democratization."

CHUNGANG ILBO, in a 900-word editorial entitled, "Let Us Have Such a Press Conference More Often—President No's First Press Conference," welcomes President No's first press conference, expressing the hope that the president has a press conference more frequently, and cites his failures to put forward in the press conference specific plans by repeating basics. The editorial says: "It may have been difficult for him to put forward specific measures on various issues in his first press conference, which was held only 2 months after his inauguration."

The editorial adds: "We believe there will be opportunities for President No himself and other persons in authority in the Government to put forward specific measures on these issues and President No's basic plans in state affairs."

After showing interest in President No Tae-u's reference to North-South dialogue and his disclosure of his assets, the editorial concludes: "We expect the president will, in the future, hold press conferences as frequently as possible and establish a new tradition of making public state affairs as much as possible."

KYONGHYANG SINMUN carries a 900-word editorial entitled "President No's Humble Press Conference," that welcomes the change of style and his pledges on corruption and the general elections. The editorial says: "The question is whether his resolve will persist until his term expires."

Also praising his achievements since the 29 June declaration, the editorial concludes: "However, it is important what will be done hereafter. After achieving social stability, one tends to be tempted to make one's power absolute. President No Tae-u called on the media to cooperate during his first 6 months. However, criticism of the media is all the more necessary for him during this period, and how he accepts messages in newspapers can become nutrition for the No regime. In this process, he will be able to give birth to his philosophy of rule, which has so far seemed insubstantial."

#### **Size, Role of Advisory Council of Elder Statesmen Criticized**

##### **Extended Role**

4170048 Seoul TONG-A ILBO in Korean 7 Mar 88 p 3

[By Nam Chan-sun] txt

[Text] Since the National Advisory Council of Elder Statesmen (NACE) which was created by Article 90 of the Constitution is organizationally much bigger and functionally far more powerful than its predecessor, the National Political Advisory Council, questions have been raised as to its excessive growth far beyond its originally designed "advisory function."

The NACE Law which was proclaimed on the 24th of last month, on the eve of the birth of the Sixth Republic, and its enforcement ordinance bill which has been under

consideration by the Office of Legislation since the 7th reveals considerable differences from the old laws in the areas of its organization, the privileges of its members, and the policy reflection of its decisions.

First of all, what is outwardly conspicuous is that the organization of NACE has been enlarged and reorganized almost to a level rivaling a cabinet ministry. According to the old National Political Advisory Council Law, it allowed (Article 9) to have the secretarial organization to handle the conference proceedings and clerical matters and Article 4 of its enforcement ordinance allowed creating a secretariat and secretarial staff for its chairman. Then, the presidential secretary for political affairs (Class 1) rank as a special government service position, two functionaries (grade 8), and one worker.

But, the NACE Law, which has already been promulgated and its enforcement ordinance bill which is under consideration, have greatly enlarged the functions of its secretariat by making it a 48 member body (government service positions) ranging from the ministerial level to the employee level. Of these, three are in the area of political affairs and they are the chief of the secretariat (ministerial level), the deputy chief of the secretariat (vice ministerial level), and the chief secretary to the chairman (vice ministerial level). Under the deputy chief of the secretariat are directors of office planning, conference, and committee. Including 6 high ranking officials at the bureau chief and deputy bureau chief grade officials, 33 regular government service officials belong to this council. In addition, 12 are functional and general workers. According to the current government organizational law, government agencies with more than three political affairs positions are limited to the presidential secretariat (13) and the Office of the Prime Minister (3 inclusive of the prime minister).

Also, the 48-member NACE is far larger than such government ministries as the Office of the Minister of the First Political Affairs Ministry (32) and the Office of the Minister of the Second Political Affairs Ministry (20). In the case of the National Security Council, a presidential advisory organ, its size is legally limited to only five. The original proposal prepared by the Ministry of Government Administration for the size of the council secretariat, apart from the enforcement ordinance bill for the NACE Law, was 80, but it abandoned the proposal fearing public criticism. The abandoned proposal even created an office of policy research under the deputy chief of secretariat to handle the analysis and evaluation of important policies determined by the chairman of the council. Further, the proposal empowered NACE to request the heads of other national government agencies to make their staff member available to NACE if it was deemed necessary.

But as this proposal was abandoned, it was modified and incorporated into the enforcement ordinance bill.

In providing the "special privileges" for the chairman and the members of NACE, the enforcement ordinance bill specifically further expanded the privileges over those of the National Political Advisory Council. Some suspect that this bill might also be designed for the benefit of certain individuals.

Initially, with respect to the special privileges, the bill clearly spelled out privileges such as diplomatic passports for an employee and his spouse when they travel abroad; free rail travel; and further, it provided the chairman of the council with funds for information and official activities necessary for maintaining his position and activities; providing him with an official residence; and if necessary, making the presidential airplane or train exclusively available to him. But at the final stage of the drawing up of the proposal, these provisions were deleted.

The new law and the enforcement ordinance bill give special care to accord power and prestige to the decisions of NACE. In the past, the National Political Advisory Council Law provided that "it may demand necessary cooperation of the agencies concerned with regard to matters such as reports on the agenda items or presentations of pertinent material." (Article 8) But its enforcement ordinance did not have separate provisions. In contrast, the NACE Law and its enforcement ordinance bill make it mandatory for the government to notify all concerned agencies of the results of its evaluations of NACE's opinions and recommendations. It means that a considerable weight is given to the judgement of NACE.

Further, the fact that NACE is empowered to handle civil petitions means it could play a role beyond its originally designed advisory function.

In this connection, a government official who is familiar with the creation of the council stated that "since NACE is created by the Constitution, the people could rightfully submit their petitions to this body. In preparation, I believe, such provisions are included in the law." But, in principle, the civil petitions are to be handled by the executive agency of the government. Many pointed out that the fact that NACE even handles civil petitions implies that it is not compatible with the meaning and the spirit of Article 90 of the Constitution which provides that "NACE which consists of the nation's elder statesmen is created for the purpose of serving as an advisory body for the president on important matters of national policy."

There is no particular objection against according respect to the opinions or advise of former presidents and elder statesmen, who have experience in running the government.

But many people are suspicious of the fact that NACE is organizationally far more expansive than the old National Political Advisory Council, and functionally it could also easily overlap with the national political

executive organs. In this respect, one suspects that such a law is overly considerate to a specific individual, and it is like a house built on top of another.

#### Expanded Council

41070048 Seoul HANGUK ILBO in Korean  
8 Mar 88 p 2

[Text] We are puzzled as to why the National Advisory Council of Elder Statesmen (NACE) has to be enlarged and its power increased to the extent that it defies common sense. We had a council called National Political Advisory Council before. But even under the government of the Fifth Republic which introduced this system, the National Political Advisory Council had no record of any significant achievements, and as to the system itself, general opinion was also not particularly encouraging.

The fact that the NACE Law created by Article 90 of the revised Constitution was enacted and promulgated with lightning speed on the 24th of February, the very last day of the Fifth Republic is sufficient to arouse misgivings on the part of the people concerning the political ethics of such a law. Furthermore, enlarging and reorganizing its organization to a level that could very well rival a good size government ministry creates a strong impression that it was created for the benefit of a certain individual no matter what its *raison d'être* may be. It might be difficult to escape criticism that it is a super agency far above the level of a simple advisory organ.

NACE which is to have altogether 48 staff members—1 secretary general on the level of cabinet minister, a deputy secretary general and a chief secretary to the chairman of the council, both of whom are on the level of the vice minister, and 6 high ranking officials, and 33 ordinary officials—is bigger and more prestigious than the offices of the cabinet ministers such as the first and second political affairs ministers in its size and organization. Under the current government organization law, agencies with more than three political affairs positions are limited to the Presidential Secretariat and the Office of the Prime Minister. Further, the government agencies with a secretary general are limited to only the two secretariats of the legislature and judiciary, in addition to the executive branch.

We believe that NACE is not a type of organization which could only function effectively with an enlarged organization and with higher ranking government service officials. An advisory organ must confine its role strictly to being an advising body, and it should not be a body which demands with certain authority that the government implement its decisions. Moreover, without being an executive organ, if it is allowed to perform the functions of handling civil petitions, then it takes on the characteristics of another national policy execution organ beyond the limit of its advisory capacity. Something is seriously wrong.



Despite Paragraph 1, Article 90 of the Constitution which provides that "For the purpose of providing advice and suggestions as requested by the president in the important matters of national government, a NACE consisting of elder statesmen of the country may be established," the government is obliged to study the opinion and recommendations of the advisory council and to notify the council of the result of its study. Furthermore, enacting an enforcement ordinance to enable the advisory council to handle the civil petitions should be viewed as being clearly contrary to the meaning and spirit of Article 90 of the Constitution.

Not only is it possible for the president to solicit advice and suggestions from elder statesmen who are experienced in the operation of the national government, but it is desirable if the need arises.

But NACE which appears to have been enlarged and reorganized for the purpose of preserving the status and position of a certain individual is, we believe firmly, a clear target for people's negative reactions and criticism.

It is our view that even without such an enormous body there would always be a way to channel good ideas about the national government from elder statesmen to the president. But, there is absolutely no need to create an enormous organization even before we can determine whether or not anybody would be able to come up with extraordinary ideas. It should be made clear that creating such a body is not only a waste of tax money, but also an added burden on the people.

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**CHOSON ILBO Deplores Public Officials' Involvement in Campaigning**  
*SK190725 Seoul CHOSON ILBO in Korean*  
17 April 88 p 2

[Editorial: "Ministers, Regain Your Reason"]

[Text] President No Tae-u, who was on a tour of local areas, on 15 April in Kwangju, introduced the DJP candidates [in electoral districts in Kwangju] to representatives of all walks of life in this area. We believe that this has greatly damaged President No's promise for fair and neutral elections.

It is understandable in view of party politics that in the capacity of DJP president, President No introduced his party's candidates. However, in a situation in which public officials' involvement in election campaigning and cabinet ministers' open support for the ruling party's candidates are rampant, such behavior of the president may encourage this. This is the reason why we believe so.

Indeed, these days, ministers openly make official trips to local areas. We are not sure whether they do so in order to follow someone's instruction or to maintain their political life. However, ministers and high-ranking

public officials under them are busy visiting their hometowns, supporting the ruling party's candidate there, and making various public promises for local projects. DJP Chairman Chae Mun-sik is going around calling on public officials in local areas to assist the ruling party's candidates as if it were a matter of course for them to support the ruling party's candidates.

However, in the past, public officials, even though they engaged themselves in election campaigning by using public authority, at least, pretended to do them secretly. They tried to play innocent even though everyone knew what they were doing. However, these days, public officials are openly engaging themselves in election campaigning. Does this mean that they have become so bold as to think that it is all right for them to get involved in elections and to campaign in favor of specific candidates?

We have no intention to take the trouble to explain the meaning of fairness and fair elections. It is useless to do so under circumstances in which, even if we do so, no one will take heed. We would only like to tell the prime minister, ministers, and other high-ranking public officials and top-level ruling party leaders that if they continuously do so, a difficult situation that is totally unexpected may take place after the elections and that if this happens, history will hold them responsible.

Today's political situation is likely to overheat, and expand to law evasions or illegal acts. We can easily presume that at this time when a new president was elected in the presidential election, when this president is honeymooning, and when it is a matter of course that this regime will last 5 years at any rate, there is no public official who will neglect to show "loyalty" or protest "instructions." The firmer the future of a regime looks, the more eagerly weak-minded followers gather around it.

A pitfall lies here. As they [public officials] become more indifferent to justice and fairness and as they become more utterly loyal to public authority, they are apt to misjudge circumstances and, as a result, to openly commit serious wrongdoings without a sense of guilt. Those people in the government and the ruling party must know that if serious wrongdoings are found, the situation will be reversed irrevocably.

Calling on ruling and opposition candidates to restrain themselves or to follow the dictates of reason seems empty talk. Nothing but money matters fall on the ears of those people who are devoting themselves to a struggle that may determine life or death in their political career. Under these circumstances, it is top-level government and ruling party leaders who, seeing the dark cloud, must control the situation and apply a brake on it. However, they are engaging themselves in the mud of unfair election campaigning together with [DJP] candidates.

## ECONOMIC

### **Exporters Can Expect Help Against Soaring Won** *SK190410 Seoul THE KOREA HERALD in English* 19 Apr 88 p 6

[Text] The government plans to give Korean exporters a competitive edge by cutting red tape and exporting costs.

Exporting industries are hardest hit by the won's rapid appreciation against the dollar, the Ministry of Trade and Industry announced yesterday.

The government will simplify export procedures and review the time-consuming inspection of export items, it said.

The ministry said the fees levied on foreign exchange transactions and other export-related expenses will be cut.

The government will also study structural rearrangements for exporting industries suffering from a double jinx of the won gaining value, it said.

Korean traders are advancing shipments and delaying imports in order to reduce exchange losses resulting from the won's rapid appreciation against the dollar.

But this tactic increases the surplus, inviting greater pressure from trade partners for the won to appreciate at a brisker pace.

The value of the won increased 6.2 percent in the first quarter of this year from 792.3 won for a dollar at the end of last year to 746.2 won at the end of March.

The trade surplus during the first three months this year increased to \$1,500 million, up \$200 million from the same period last year.

Korean traders will find it easy to attain this year's export target of \$55 billion.

Although exporters of textile products, toys and some other products find it difficult to obtain new orders, electronics products, autos and footwear sell well abroad.

Korean exporters, who obtained orders on the assumption that the foreign exchange rate would be about 720 won for a dollar at the end of this year, are likely to see their profits slashed because the won is certain to appreciate more.

The ministry predicted it will be difficult to raise export prices 5 percent this year.

Exporters are also burdened with an increase in the prices of raw materials, the phase-out of export-financing loans and wage increases.

### **Election Campaigns Create Excess Liquidity** *SK200159 Seoul THE KOREA HERALD in English* 20 Apr 88 p 6

[Text] The National Assembly election campaign has created excess liquidity, but business sectors are suffering from a shortage of funds.

Despite the outpouring of cash from candidates and their parties, the nation's businesses are strapped for funds, noticeably firms scheduled to pay value-added taxes and dividends to shareholders this month.

The shortage has also put pressure on short-term financing companies.

There are no statistics on how much money has been floated due to the election campaign, but money market sources say the total is over 700 billion won, assuming that each of the 1,045 candidates million won [as published]

The sum increases to over 1 trillion won when the support funds from each political party are added, they said.

To finance their campaigns, candidates are withdrawing their savings from banks, short-term financing companies and other financing institutions, selling their houses, borrowing money from banks and mortgaging their houses or lands.

Their desperate efforts to raise cash defy the government's tight-money policy, resulting in the 500 billion won outflow of money from banks.

An official at a commercial bank said, "Nowadays three to four lending applications for over 100 million won are made to my bank each day," adding that the money is mostly for election campaigns.

An official at another commercial bank said his bank recently lent 300 million won to candidate, taking his house as collateral.

Some candidates help potential voters to get bank loans to ensure their support, which is pointed as another factor deteriorating the condition of money market.

In addition, the government has increased its outlays due to the election, fueling the expansion of liquidity.

Officials at the Bank of Korea predicted that about 900 billion won would be siphoned off from the government sector because businesses pay their value-added taxes by next Monday. But the real amount to be siphoned off in effect will be 500 million won because provincial governments' expenditures have already reached 400 million won, they said.

Local businesses's financial burdens now amount to 800 to 900 million won in value-added taxes which must be paid this month. The amount of money to be paid in December is 500 million won.

Businesses giving financial support to would-be lawmakers are really suffering, as are non-banking financial institutions. With their reserve funds exhausted by monetary stabilization bonds, their lending abilities have been drained by the double demand of the election and the businesses. They even borrow money from other financing organizations at a yearly interest rate of 19 percent to relend it to related business firms.

### **Labor Council Meets as Workers Continue Strikes**

*SK191152 Seoul YONHAP in English*  
1052 GMT 19 Apr 88

[Text]Changwon, south Korea, April 19 (YONHAP)—Hundreds of workers at the state-run Korea Heavy Industry and Construction Co. went on strike Tuesday morning for an indefinite period.

About 3,500 workers of the union demanded better working conditions during a sit-in protest at the workers square inside the company's grounds located in this southeastern industrial complex.

Meanwhile, on nearby Koje island, protesting workers of the Samsung Shipbuilding and Heavy Industrial co. and the Daewoo Shipbuilding and Heavy Machinery Co. failed to narrow their differences with management.

Samsung workers, who submitted documents with the Koje county office Monday morning for the establishment of a new trade union, staged an overnight sit-in and clashed Tuesday morning with pro-management workers who attempted to force them off the company's property.

Samsung management demanded Monday afternoon that the protesting workers allow accounting-related offices including the computer room to stay open so the company can release employees' monthly payments due on April 21, but the workers rejected the demand.

Representatives of Daewoo's labor and management resumed contacts Monday night, the eighth day of a lockout, in a futile effort to reopen wage negotiations.

Meanwhile, the central labor and management council, chaired by labor affairs minister Choe Myong-hon, met Tuesday and decided to create a working-level body under the council comprising representatives of labor, management and government. the body is intended to determine causes of labor-management disputes and work out a solution.

Also attending the council meeting were Kim Tong-in, chairman of the federation of Korean trade unions, and Yi Tong-Chan, chairman of the Korean Employers' Federation. The council agreed to a six-point proposal, including the provision that collective bargaining between labor and management should proceed between the parties substantially empowered to carry out negotiations.

### **ROK Will Not Extend Industry 'Rationalization' Periods**

*SK210123 Seoul THE KOREA TIMES in English*  
21 Apr 88 p 6

[Text] Trade-Industry Minister Ahn Pyong-wha said that his ministry will not extend the period set for the rationalization of eight domestic industries.

His remark in a luncheon meeting with business leaders at the Federation of Korean Industries yesterday means business concerns will be able to participate in such industries of their own will.

The eight industries which have been protected by the government under the pretext of rationalizing their business structure include automobiles, heavy construction equipment, dye processing and fertilizers. The others are textiles, alloyed metals, diesel engines for ships and heavy electric machinery.

Of the eight industries, the rationalization period for heavy construction equipment is scheduled to expire in June and that for dye processing by the end of this year.

The periods for the rationalization of automobiles, alloyed metals, diesel engines for ships and heavy electric machinery are scheduled to end in June next year, while that for fertilizers will expire in November 1990.

The rationalization of the eight industries has been chiefly aimed at renovating their business management and facilitating the development of technologies, while preventing other business concerns from branching out into the fields.

The government has driven businesses engaged in the eight industries to specialize in the production of goods, to reduce production facilities and discard obsolete plant.

On the other hand, the government has forced incompetent businesses involved in the eight industries to merge with others or to change business, thereby generating criticism and even drawing denunciations from them.

In the case of the automobile industry, Hyundai, Daewoo, Kia and Ssangyong have been designated as the sole manufacturers of passenger cars and Ssangyong the sole maker of specially-equipped vehicles and jeeps.

The production of heavy construction equipment has been monopolized by Samsung and Daewoo, and that of diesel engines for ships by Hyundai and Ssangyong.

Meanwhile, the minister told the participants in the meeting that his ministry would focus on the enhancement of productivity and the development of new technologies in its policy for the support of domestic industries.

To realize the aim, he promised the establishment of a new bureau for the development of industrial technology in the ministry.

He also revealed that the ministry is preparing a wide range of steps to beef up the international competitiveness of local industries in consideration of the rising won revaluation against the U.S. dollar and wage increases.

He said that the best way for domestic industries to tide over what he called the three highs—high wages, high won value and high trade friction—is to maximize their efficiency and to buttress their competitiveness on the international market.

The minister stressed that he will do his utmost for balanced development between business conglomerates, and small and medium industries.

Among the participants in the meeting were Ku Cha-kyong, chairman of the FKI, the nation's largest private economic organization and a host of representatives of business groups.

## SOCIAL

**Civil Court Finds Against State in Bomb Case**  
*SK210219 Seoul THE KOREA TIMES in English*  
21 Apr 88 p 3

[Text] The government should be held to account for the damage resulting from the explosion of bombs even if the explosions take place outside military areas.

With this reasoning, the Seoul District Civil Court ruled yesterday against the government in a lawsuit filed by Kang Wu-kyu, 11, against the government.

Kang's parents died in the explosion of a bomb which they brought home from a firing range. The bomb went off while they were dismantling it so they could sell it to scrap iron dealers.

Presiding, Judge Yi Chae-hun said in ruling that the government should pay 31 million won in compensation to Kang, that military commanders are under the obligation of keeping a close watch so that not a single item of ordinance [as published] is left lying around outside military barracks.

He said four "off-limit" signs were posted around the firing range. Still, this is not sufficient for the government to be immune from legal liability, the judge said.

The judge said the death of Kang's parents should be viewed as a result due in part to the negligence of the concerned military units.

**Shipyard Ends Strike, Operations To Resume 22 April**  
*SK220303 Seoul THE KOREA HERALD in English*  
22 Apr 88 p 3

[Text] Koje, Kyongsangnam-do—Workers at the Daewoo Shipbuilding & Heavy Machinery Co. ended a 21-day strike yesterday, as management and the trade union reached an agreement over pay hikes.

The trade union accepted management's offer to raise the shipyard workers' basic monthly pay by 41,400 won or 19.1 percent.

Management agreed to increase each worker's monthly allowance by 20,000 won, a union spokesman said.

Both sides also agreed to resume the shipyard's normal operations today, the spokesman added.

Under the agreement, a 50 percent special bonus will be paid on May 10.

On April 13, the labor dispute appeared to come to an end when management and the union tentatively concluded an agreement calling for increasing the basic monthly pay by a uniform 31,400 won. It also called for raising each worker's monthly allowance by a uniform 30,000 won.

But a majority of the unionized workers voted against the labor-management accord on pay hikes the following day.

The latest agreement came at 7:10 a.m. 30 minutes after nine representatives from both sides resumed talks over pay hikes.

Yang Tong-sang, president of the trade union, represented the union side while Ko Ki-hwan, chief of the shipyard, represented management.

The latest labor-management agreement will automatically take effect, because the union leadership has full authority over negotiations with management, a Daewoo Group spokesman said.

Union president Yang said shortly after the agreement that the union will make all-out efforts to boost productivity.

Ko, a managing executive, also said that management will do its best to improve working conditions.

The trouble at the nation's second largest shipyard began early last month when the union reported a labor dispute to a provincial labor office. Thousands of workers had since staged a go-slow until they went on strike April 1.

Management closed the shipyard on April 11, as negotiations bogged down.

**KOREA HERALD: Should Not Waste Lesson of Professor's Death**

SK200107 Seoul THE KOREA HERALD in English  
20 Apr 88 p 8

[Editorial: "A College Dean's Suicide"]

[Text] The suicide of a Seoul college dean in despair over a violent student protest is saddening and shocking, once again prodding us to open our eyes to the stark reality besetting Korean college campuses nowadays.

Prof. Yi Kyong-hi, dean of Konkuk University's College of Agriculture, killed himself in his office Monday after an unsuccessful attempt to disperse protesting students occupying the university president's office since last Thursday to demand the construction of a study farm.

What particularly and painfully overpowers us here is the attitude on the part of the departed scholar toward his students at the chilling moment of taking his own life. Instead of reprimanding them or criticizing their behavior, he merely exhorted them, in one of the five notes he left behind, to display more wisdom in resolving their complaints.

Described by his colleagues as an introvert, Prof. Yi deplored his inability to prevent students from resorting to violent acts. He thus lived up to the true code of conduct for an educator, a rare act in this era when me-first attitudes and passing the buck when the chips are down are common.

Korean college campuses have recently seen more and more students adopting violent means to press their demands for better welfare for themselves, improvement of school facilities and more leeway for extracurricular activities, in addition to their usual call for various "democratic" measures.

School authorities, on their part, need to listen to students' demands with more earnestness, while students should exercise the virtue of wisdom rather than resorting to violence to gain their ends, as Prof. Yi urged in his death note. The lesson learned from the death of the scholar must not be wasted.

**Konguk Professors Resign After Peer's Suicide**  
SK220319 Seoul THE KOREA TIMES in English  
22 Apr 88 p 3

[Text] Thirty-three Konguk University professors holding staff posts tendered resignations en masse, bearing moral responsibility for the suicide of a dean of the university.

They also demanded the resignation of Prof. Kwon Yong-chan as president of the university, holding him morally responsible for the tragic death.

The collective action was decided on in an emergency meeting of post holders at the university Wednesday afternoon.

In a statement, the 33 professors said, "We renew our prayers for the repose of the professor who sacrificed his life for the development of this university in the true sense."

"During the past, we have tried to have the opinions of students reflected, the rights of professors respected and the development of the university enhanced in the process of settling the disturbed situation."

Prof. Yi Kyong-hi, dean of the agriculture college, was found dead, hanging from the ceiling at his office Monday morning apparently having committed suicide in agony over student's seizure of the university's president's chamber. About 50 students from the agriculture college held out at the president's office for several days, demanding the construction of a new study farm.

"Nevertheless, our efforts ended in a tragic incident, leaving all Konguk people heartsore and the prestige of the university incurably scarred," the professors said in the statement.

"All the problems occurring in the campus should be solved wisely through dialogue and in a democratic way on the basis of mutual trust and understanding," the outgoing staffpost holders said.

Vice president Yun Hyo-chik in charge of curriculums, vice president Na Chang-chu in charge of planning, vice president at the Chungju campus Han Song-kyun, and deans of 13 sub-colleges were among the 33 professors who tendered resignation.

Yi was buried in a family tomb in Kumgok, on the northwestern outskirts of Seoul, after a funeral ceremony at the campus Wednesday.

## FOREIGN RELATIONS, TRADE

### Seoul Daily Comments on U.S.-Iranian Armed Clash in Gulf

SK230718 Seoul KYONGHYANG SINMUN in Korean  
19 Apr 88 p 2

[Editorial: "U.S. Show of Force Against Iran; the Middle East War Will Have Direct Bearing on Us"]

[Text] The most characteristic nature of the international politics of modern history is the fact that powerless dead ground still exists despite the superior military and political systems of the superpowers in the world today. The recent armed clash between United States and Iran in the Gulf can be considered a prime example of this. In other words, the armed clash was a challenge on the dead ground against the "guarantee system" of the order of international politics dominated by the United States and the Soviet Union, and such a challenge may greatly influence future global strategies of the United States and the Soviet Union.

Last week, Iran secured considerable superiority in its ground battles with Iraq and, taking advantage of this secured superiority, it has resumed laying mines in the Gulf. Over this course, a U.S. naval ship was attacked and destroyed [as published], and President Reagan ordered U.S. naval forces in the Gulf to attack Iranian oil platforms as retaliation against Iran. To the U.S. retaliation, Iran launched a rapid counterattack. Thus, these retaliatory actions by the two countries have finally led the situation in this region to becoming an acute situation.

What draws our surprise is that Iran launched its counterattack with missiles and that, using this as an occasion, the military confrontation between the United States and Iran in the Gulf has become missile warfare. This is not a mere show of force, and it is feared that the armed conflict in this region could become further expanded. This is why the world is now expressing deep concern about the recent naval clash between the two countries in the Gulf.

At the same time, it is feared that the expansion of such an armed clash may have a serious effect not only on relations between the United States and the Soviet Union, but also on the economies of Western countries. Therefore, we cannot but have deep concern about and worries over the development of the current situation in the Gulf.

In a nutshell, the escalation of armed conflict in the Gulf is by no means conducive to the present relations between the East and West blocs. It is also by no means conducive to the national interests of Iran.

We would like to stress again that escalation of armed clashes in the Gulf may invite global war. The world should keenly realize this.

Nevertheless, the naval clash between the United States and Iran in the Gulf on the eve of the U.S.-Soviet summit slated for May in Moscow may place a burden on President Reagan's diplomatic policy and may provide Gorbachev of the Soviet Union with a favorable opportunity for becoming a mediator between the two countries. On the part of Iran, the recent armed clash in the Gulf may constitute a short-term benefit; the country may be able to check the structure of international politics dominated by the two superpowers, the United States and the Soviet Union.

However, Iran's uncompromising counteroffensive of laying mines in the high seas is an act that runs counter to the international order of allowing freedom of navigation on the high seas. Therefore, Iran's act of laying mines in the Gulf cannot be justified.

On the other hand, if and when U.S. retaliation against Iran is further expanded or escalated, public opinion will be aggravated in the United States, and this may impose a strong check on the stern will against Iran of the Reagan Administration. At the same time, the prolongation or expansion of the conflict between the two countries is not desirable because it would have a serious effect not only on the U.S. economy, which has just gotten on the track of recovery, but also on the economy of Western countries.

For our part, our government should take political and diplomatic measures and strategies to cope with the aggravation of the situation in the Gulf in the future so as to secure our oil supply on a continuous basis.

### CHOSON ILBO Hails Taiwan for Liberalizing Exchange With Mainland China

SK230639 Seoul CHOSON ILBO in Korean  
19 Apr 88 p 2

[Editorial: "Good Example for Resolving the Issue of Division—Seeing Taiwan's Step for Liberalizing Visits to Communist China"]

[Text] According to a report, the Republic of China has liberalized the exchange of letters with Communist China beginning on 18 April and will extensively allow travel to the continent beginning next month. In fact, this is not especially new.

The exchange of letters between Communist China and Taiwan had already begun through the mediation of relatives and friends who reside in third countries, including Hong Kong. The visit of Taiwanese residents to the mainland has been almost unlimitedly allowed if they obtain a home-visiting pass in Hong Kong. Even if one returns home after visiting the continent, no disciplinary action is taken and Communist China does not have any prejudice against Taiwanese residents visiting their native towns.

The recent step of the Republic of China can be regarded as an expression of will to officialize what has been carried out unofficially in the past and to further develop it in the future.

As a fellow sufferers who can sympathize, we cannot but think of various instructive factors found in the Chinese people's efforts to take the initiative in resolving the questions of a divided country. Just as we have the scars and pain of the Korean War, the Chinese people still have the scars of internal conflict between the communists and the nationalists in many places. With the beginning of the 20th Century, China suffered the disaster of war longer than we did. During the revolutionary movement, struggle among the military castes, the anti-Japanese resistance struggle, and the internal conflict between communists and nationalists, a number of Chinese people were victimized amid the anxiety of not knowing their future destinies.

We believe that choosing the road of reconciliation instead of confrontation after a 40-year cooling off period has been possible because each side has come to have confidence in the general trend of the world. Communist China, led by Deng Xiaoping, chose an open policy in the economic field while introducing democratic elements one by one in the political sector, thus making every effort for modernization.

Clearly, what should be watched irrespective of how the success of modernization appears because of the restrictions of the system and what should be concealed out of shame are decreasing.

The Republic of China has only one-sixtieth the population of the continent. However, it can match Communist China in economic power. Since it withdrew to Taiwan, it has eradicated what would pose a weak point in dealing with Communist China by eliminating irregularities and corruption. Under circumstances in which each side has many things to conceal and each side makes what would serve as material subject to condemnation by the other, exchanges and open lines are impossible.

If we view from such a standpoint the relations between the North and the South of Korea, which have been open at times and closed at other times since 1972, is it not the time for South Korea to knock on the door of dialogue with North Korea at a level higher than before? If a legitimate government is not corrupt, it can honorably hold dialogue with the other side. Superiority in national strength and systems between the North and the South of Korea has already been decided.

We also urge North Korea to actively come to the table of dialogue in line with the trend of the world. We must strive to resolve step by step the issue of division that North and South Korea should jointly resolve in the end.

Even if North Korea has many things to conceal, it will be appraised affirmatively if it shows efforts to reduce them.

#### **Conglomerate Officials Visit China To Expand Trade**

*SK200245 Seoul YONHAP in English  
0227 GMT 20 Apr 88*

[Text] Seoul, April 20 (YONHAP)—In an effort to expand trade with communist countries, senior executives of major south Korean conglomerates are making frequent visits to the Soviet Union, China and other East Bloc nations.

Their increasing visits to communist countries in recent years are intended to arrange business talks, including ways to expand trade, to seek joint investments and to receive construction orders, according to business sources Wednesday.

South Korea has no diplomatic ties with any communist countries.

Kim U-chung, chairman of the Daewoo business group, left Seoul last Wednesday to visit the Soviet Union and other Eastern European countries. He will meet with senior government officials in those countries together with western entrepreneurs, according to Daewoo officials.

Daewoo, which will participate in a large-scale electronics show in Leningrad slated for May 12-22, seeks to expand trade, including direct trade with the Soviet Union, and receive an order to construct a sports facility.

Kim has been to China eight or nine times in recent years, holding talks with Chinese officials on ways to increase Daewoo's exports, to establish joint-venture companies, and to realize direct trade with the communist country.

Yi Pil-kon, president of the Samsung Co., the trading arm of the Samsung Business Group, visited Beijing and special economic zones in Henan province last year. Officials of star progress desk, Samsung's overseas office in Hong Kong, have frequently visited China in recent years, according to the sources.

Samsung reportedly far surpassed other large businesses in Korea in terms of their trade volume with China. Samsung exports electronics goods, iron and steel products, and chemical goods to China, while importing agricultural products, raw materials for manufacturing textile goods, and coal.

Company presidents of the Hyundai Business Group are also visiting China to promote economic cooperation with that communist country. Yi Myong-pak, chairman of the Hyundai Construction Co. visited China during the third Asian Swimming Championships held in

Guangzhou from April 6-11 in the capacity of president of the Asian Amateur Swimming Federation, holding talks with Chinese officials on ways to promote mutual economic cooperation.

Lucky-Goldstar Business Group is also seeking ways to strengthen ties with China. Yi Hun-cho, president of the Lucky-Goldstar International Corp., and other ranking officials have visited China frequently, the sources said.

In addition, other large businesses, including Sunkyong, Ssangyong and Hyosung, are also dispatching high-level officials to China for similar purpose.

### **Tariff Rates To Fall to 7 Percent in 1993**

SK210243 Seoul YONHAP in english  
0231 GMT 21 Apr 88

[Text] Seoul, April 21 (YONHAP)—The government plans to lower tariffs to 7.1 percent on the average by 1993, the finance ministry said Thursday. South Korea's current tariff level stands at an average of 18.1 percent.

The proposed tariff reductions drafted by the ministry stipulate that the average tariff will be cut to 12.6 percent next year, 11.2 percent in 1990, 9.5 percent in 1991, 8.1 percent in 1992 and 7.1 percent in 1993. Tariffs on some high-tariff goods, including liquor, tobacco and bananas, will be cut from the current 100 percent to 50 percent next year, 40 percent in 1991 and 30 percent in 1993.

The principal rate which will apply to most items will be lowered to 15 percent next year, 13 percent in 1990, 11 percent in 1991, 9 percent in 1992 and 8 percent in 1993.

The principal rate for industrial goods will be reduced to 11.5 percent next year, 9.9 percent in 1990, 8.4 percent in 1991, 6.9 percent in 1992 and 6.1 percent in 1993.

The principal rate for agricultural goods will be cut to 18.9 percent next year, 18.1 percent in 1990, 15.4 percent in 1991, 14.7 percent in 1992 and 12.4 percent in 1993.

The government, however, is expected to either slow the pace of tariff cuts or raise tariffs, if necessary, for agricultural goods produced in Korea in an effort to protect Korean farmers.

The government also plans to maintain the current tariff on crude oil because tariff revenues from imports of that item contribute substantially to government revenue.

In implementing the cuts, the government will reduce tariffs substantially next year before lowering the rates on a gradual basis afterward.

The tariff on primary processed goods such as cotton yarn will be cut from the current 20 percent to 15 percent next year and 5 percent in 1993. Tariffs on garments and electronic goods will be lowered from the current 30 percent to 20 percent next year, 13 percent in 1991 and 13 percent in 1993.

Tariffs on luxury consumer goods will be reduced from the current 50 percent to 20 percent next year, 13 percent in 1991 and 13 percent in 1993.

The government also plans to convert the tariff system for tobacco into a specific duty system, under which the duty will be based on a fixed sum of money for each unit of quantity or weight. The new system is a result of the a bilateral agreement between the United States and Korea.

### **Effect of Lower Tariffs Examined**

SK221038 Seoul YONHAP in English  
0800 GMT 22 Apr 88

["News Analysis" by Kang Il-chung]

[Text] Seoul, April 22 (YONHAP)—The Korean government has drafted a bill which, if enacted, will lower tariffs to 7.1 percent on the average by 1993 compared with the current average of 18.1 percent.

The proposed tariff cuts drafted by the finance ministry stipulate that the principal rate will be lowered from the current 20 percent to 15 percent next year, 13 percent in 1990, 11 percent in 1991, nine percent in 1992 and eight percent in 1993.

The principal rate is the tariff that applies to most items among the total 2,301 items.

Under the bill, Korea's tariff level will approach the current tariff level of industrialized countries by 1993.

Currently, the principal rate of the United States, Japan and EC (European Community) is at the 3-8 percent level.

When implementing the cuts, the government is expected to reduce tariffs substantially next year before lowering the rates on a gradual basis afterward.

If the measure is passed, Korean industries are certain to be hit hard, beginning next year. So far they have been protected by the present tariff system, which generally imposes high duties on imported goods.

The bill, a major change in the government's economic policy, signals that the government is ready to promote competition between Korean and foreign goods rather than protect domestic industries by curbing imports.

Finance ministry sources cite a number of domestic as well as foreign factors which have led to the policy change.



Domestically, the competitiveness of Korean industries has been strengthened by the so-called three lows — lower value of the U.S dollar, lower oil prices and lower interest rates — as well as improved technology. At present, there is an urgent need to balance the growth of export industries and domestic-oriented industries.

The government is also using the tariff cuts to resolve the problems raised by a surplus in the current account. Korea is suffering from a sudden and excessive balance of payments surplus, which is causing serious monetary problems. Officials believe that they can solve those problems to a certain extent by encouraging imports through tariff cuts.

As a result, the sources say, the Korean people can buy quality goods at low prices from overseas.

One major factor which has made the tariff reductions inevitable, the sources say, is the pressure applied on Korea by its trade partners to cut its tariffs sharply. The trade partners also say that Korea is one of only a few countries which enjoy a balance of payments surplus.

Korea registered a 9.8 billion-dollar current account surplus last year, following its first surplus of 4.6 billion dollars in 1986. The surplus is expected to reach 7 billion dollars this year.

Early this week, the government announced that it will lower tariffs on more than 600 items by an average of 5-10 percentage points next month by applying preferential quota tariffs.

The items comprise more than 300 consumer goods, including home appliances, medicines and cosmetics, and 300 other items, such as construction materials, steel goods and petrochemical-related goods. The announcement marks the first time that the government will apply quota tariffs to consumer goods. Finance ministry sources said that the step, taken to enhance price stability, is also intended to ease frictions with trading partners.

Despite the proposed tariff cuts, the government is expected to keep or lower slightly the current 5-10 percent tariff on semiconductor raw materials and other specific items to encourage domestic growth in this sophisticated industry.

The government is also expected to either slow the pace of tariff cuts or raise tariffs, if necessary, for agricultural goods produced in Korea in an effort to protect Korean farmers.

In addition, the government plans to retain the current tariff on crude oil as tariff revenues from imports of that item contribute substantially to the government's revenue.

Meanwhile, tariffs on some high-tariff goods, including liquor, tobacco and bananas, are expected to be cut from the current 100 percent to 50 percent next year, to 40 percent in 1991 and to 30 percent in 1993.

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